STATE OF CALIFORNIA   KATHLEEN CONNELL
                                                                        Controller of California

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P.O. Box 942850
Sacramento, CA 94250-5878

DATE: May 16, 2002   PERSONNEL LETTER # 02-010
                                                    CSU ONLY

 TO: All Campuses in the Uniform State Payroll System

FROM: RALPH ZENTNER, Acting Chief
          Personnel/Payroll Services Division

RE: **CALIFORNIA STATE UNIVERSITY BARGAINING UNIT 03 APRIL 1, 2002 SALARY INCREASE**

          The agreement reached between the California State University (CSU) and Bargaining Unit 03 employees
          provides for a General Salary Increase (GSI) effective 04/01/02.

          A GSI Employment History (EH) mass update is scheduled for Saturday, May 18, 2002 to post a 04/01/02
          effective date GEN transaction. For those campuses that begin their Spring Quarter on 04/02/02, the mass update
          will post a 04/02/02 effective date GEN transaction for academic employees. As a result, the EH Online System
          will not be available on Saturday for inquiry or update until approximately 10:00 a.m. If any problems are
          encountered with the update, the system may not be available until later or not at all.

          Refer to Technical Letter HR/SA 2002-06 for further information on the GSI. An attachment is provided detailing
          information and processing instructions for Bargaining Unit 03. If you have any questions with the attached
          information, please contact your CSU Audits' Representative at the State Controller's Office.

          RZ:CAH:PMAB

Employment History Update

- All employees in BU 03 are entitled to receive a 2% GSI effective 04/01/02 or effective 04/02/02 for quarter campuses.

- Employees with an appointment expiration date of 03/31/02 or prior will be included in the EH mass update. Campuses can access a list of the employees via the CIRS Compendium Report H50, Cycle 0205, under Campus Detail, General Salary Increase. Campuses must determine if the employees are to be reappointed or separated and key enter the appropriate transactions.

- Employees who separated prior to 04/01/02 may need an adjustment to their lump sum payments, if those payments extended beyond 03/31/02. A GEN transaction will not be posted. PPSD will identify the affected employees and manually adjust the lump sum payments.

- Employees with red circle rates are not included in the EH mass update. PPSD will identify the affected employees and manually process the GSI salary rate via the GEN transaction.

- Employees on NDI, Supplementing with Catastrophic Leave Donations, are eligible for the GSI. If an employee was on NDI 04/01/02 or later, the EH mass update will post the GEN transaction and generate the new GSI rate. The mass update will also correct any subsequent transactions with the new salary rate. However, the mass update cannot update EH records for those employees who were on NDI prior to 04/01/02. Therefore, PPSD will identify the affected employees and manually process the GEN transaction as well as correct any subsequent transactions.

- For employees with special payments/A54 transactions (that were processed before the EH mass update), campuses should process A54C transactions to post the GSI salary rate. After the mass update, use the GSI salary rate for new A54 transactions that are processed.

Payroll Adjustments

- The majority of the adjustments resulting from the EH mass update for the 04/02 pay periods regular payments, will be issued in the daily payroll cycle issue dated 05/21/02. Employees on direct deposit will have their adjustment payments posted to their accounts on 05/23/02.

Retroactive Charges

- All transactions as a result of the April 1, 2002 salary increase are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass update should not be reflected on the Monthly Retroactivity Report. However, any EH transactions and payroll transactions that are either keyed by the campuses or processed by PPSD could appear on the campus' report (see Payroll Procedures Manual Section A 011 for further information). The campus can return the report identifying the items associated with the salary increase along with the appropriate explanation.

Campus EH Processing Information

Based on the updates processed by PPSD, the following is a guideline for processing various EH transactions. The transactions should be key entered in the order indicated.

1. Separations effective 03/31/02 or prior:

   a) GENVeffective 04/01/02 or 04/02/02.
   b) SXX.

   If an S70/S71 for an academic employee was keyed prior to the GEN with the old salary rate, process as follows:

   SXXC - enter the total amount due in Item 810. (Listings identifying the impacted employees will be sent to the campuses.)

2. Separations effective 04/01/02 or later, including Leaves Without Pay (S49 and 565 transactions with Job Injury Code = 7), should be processed as usual with the exception identified in #3 below.

   DO NOT VOID THE GEN TRANSACTION.

   If the separation was keyed prior to the GEN transaction with the old salary rate, the transaction must be corrected as follows:

   SXXC - enter the new total amount due in Item 810. (Listings identifying the impacted employees will be sent to the campuses.)

3. Employees on NDI/Leave of Absence Without Pay as of 04/01/02 and are to separate 04/01/02 or later with lump sum vacation/extra hours (Item 621) requested on the separation transaction:

   a) A57 or A58 effective same date as SXX and effective date hours = COB to change the salary to the GSI rate. Also, enter 'Lump Sum Only' in Item 215, EH Remarks.
   b) SXX.

4. Leave of Absences effective 03/31/02 or prior, including 565 transaction (with Job Injury Code = 7):

   a) GENV effective 04/01/02 or 04/02/02.
   b) SXX or 565.

5. Appointments effective 03/31/02 or prior and Item 450 = 1, 3 or 4:

   a) AXX.
   b) GEN effective 04/01/02 or 04/02/02 (enter GSI rate in Item 820, Assigned Salary Rate).

6. Appointments effective 04/01/02 or later and Item 450 = 1, 3 or 4:

   No GEN transaction is required. However, enter the new GSI rate in Item 820, Assigned Salary Rate on the appointment transaction.

7. Reinstatements effective 03/31/02 or prior, including A57, A58, A68 and 565 with Job Injury Code = 4 (if prior status was Job Injury Code 7):

   a) AXX or 565.
   b) 715 effective same date of A68 or 565 to change Item 330 and/or Item 430 due to non-qualifying
   c) pay periods (if applicable). GEN effective 04/01/02 or 04/02/02 (enter GSI rate in Item 820, Assigned Salary Rate).

8. Reinstatements via the A57 or A58 transaction effective 04/01/02 or later:

   a) A57 or A58 (reinstate at old salary rate).
   b) GEN effective same date as A57 or A58. Enter the new GSI rate in Item 820, Assigned Salary Rate, and HR/SA 2002-06 in Item 215, EH Remarks.

9. Reinstatements via the A68 or 565 transaction with Job Injury Code = 4 (if prior status was Job Injury Code 7) effective 04/01/02 or later:

   a) A68 or 565.
   b) 715 effective same date as A68 or 565 to change anniversary date/probationary period (if applicable).
   c) GEN effective same date as A68 or 565. Enter the new GSI rate in Item 820, Assigned Salary Rate, and HR/SA 2002-06 in Item 215, EH Remarks.

10. For #7 through #9 above, Automated Audit (AA) message 9320-02, ASSIGNED SALARY INVALID, PER CSU PAY SCALES or AA 330-02, ANNIVERSARY DATE IS INVALID, EMPLOYEE AT MAXIMUM may be received. Attach the AA message to the PPT document and submit the transaction to PPSD for processing.

11. Transactions not identified above, process as usual.

12. If a correction to a previously keyed 04/01/02 effective date transaction (i.e., prior to the 04/01/02 or 04/02/02 effective date GEN transaction) is processed, AA 9320-02, ASSIGNED SALARY INVALID, PER CSU PAY SCALES may be received. Attach the AA message to the PPT document and submit the transaction to PPSD for processing. Refer to the Personnel Information Management System website address (www.calstate.edu/hrpims/pims) for out-of-sequence processing. If other AA messages are received, please contact your CSU Audits' Representative.

    NOTE: For quarter campuses with Academic Year calendars effective 04/02/02, any reference to 03/31/02 effective date should be 04/01/02.